Trade Across Europe

Analyze why people trade and what can make trade harder.

SS6E8 "Analyze the benefits of and barriers to voluntary trade in Europe."

NAME ______________________ DATE ____________

1 READ AND MARK

Read it twice

YOUR JOB Underline two benefits of voluntary trade and circle three barriers that can make trade slower, more costly, or less likely.

Choices, Costs, and Trade

1 Voluntary trade happens when people, businesses, or countries choose to exchange goods or services because each side expects a benefit. In Europe, a Portuguese company may sell cork products to buyers in Germany, while German firms sell machines to Portugal. Buyers gain choices they may not produce locally. Sellers reach more customers and can earn income. Trade can also connect workers and ideas across borders, helping businesses specialize in work they do well. This can make products more available.

2 Europe has many trade links, but barriers can make voluntary trade slower or more costly. A truck carrying Spanish oranges into a country outside the European Union may face a tariff, which is a tax on imported goods. The tax can raise the price for shoppers. Different product rules, customs checks, and paperwork may delay shipments. A small business might lack money to translate labels or learn another country's rules. These barriers can reduce the number of buyers and sellers who choose to trade.

3 Some European countries reduce barriers by making agreements. Members of the European Union use a single market that allows many goods, services, people, and money to move more freely among member countries. This can lower costs and give consumers more choices. However, Europe includes countries outside the EU, and trade rules differ. After the United Kingdom left the EU, businesses trading between the UK and EU had to handle more customs forms and checks. Countries must weigh lower barriers against goals such as protecting safety, jobs, or local producers.

2 ANSWER WITH EVIDENCE

Use the passage

1. How does trade between a Portuguese cork company and German buyers benefit both sides?

2. How can a tariff on Spanish oranges affect shoppers in the importing country?

3. Compare trade among EU member countries with trade between the UK and the EU after the UK left the EU.

4. Choose one barrier that can affect a small business and explain how it might reduce voluntary trade.

3 YOUR TURN

Your own words

A bakery in Lithuania is thinking about selling rye crackers to stores in Italy. Write four sentences that explain two benefits of this trade, one possible barrier, and one way the bakery could respond to that barrier.

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PART 1 · READ AND MARK

Underline two benefits of voluntary trade and circle three barriers that can make trade slower, more costly, or less likely. Accept any marking that follows this job and points at the right text.

PART 2 · ANSWERS

#	QUESTION	ANSWER
1	How does trade between a Portuguese cork company and German buyers benefit both sides?	**The Portuguese company reaches more customers and can earn income. German buyers gain cork products they may not produce locally.**
2	How can a tariff on Spanish oranges affect shoppers in the importing country?	**A tariff is a tax on imported goods, so it can raise the price shoppers pay for oranges.**
3	Compare trade among EU member countries with trade between the UK and the EU after the UK left the EU.	**EU member countries can move many goods more freely through the single market. After the UK left the EU, UK-EU trade required more customs forms and checks.**
4	Choose one barrier that can affect a small business and explain how it might reduce voluntary trade.	**Answers may name translation costs, different rules, customs checks, paperwork, or tariffs and explain that the cost or delay may make a business less willing or able to trade.**

PART 3 · YOUR TURN (SAMPLE ANSWER)

Italian shoppers would gain another food choice, and the Lithuanian bakery could reach more customers and earn income. The bakery may need Italian labels and must follow food rules, which could cost time and money. It could hire a translator and learn the requirements before shipping crackers. The bakery can then decide whether trade will benefit both sides.

Accept reasonable benefits, barriers, and responses that accurately apply voluntary trade. Students should show that trade is chosen because both sides expect a benefit, while costs, rules, taxes, or delays can discourage it.